

## Message Text

CONFIDENTIAL

PAGE 01 JAKART 04285 040617Z

ACTION EB-08

INFO OCT-01 ARA-10 EUR-12 EA-10 ISO-00 TRSE-00 COME-00

AF-10 NEA-10 DODE-00 INT-05 GSA-02 STR-07 OMB-01

L-03 SS-15 PM-05 SP-02 NSCE-00 SSO-00 CIAE-00

INR-10 NSAE-00 INRE-00 /111 W

-----096310 040621Z /11

O R 040510Z APR 78

FM AMEMBASSY JAKARTA

TO SECSTATE WASHDC IMMEDIATE 7874

INFO AMEMBASSY BANGKOK

AMEMBASSY KUALA LUMPUR

AMEMBASSY LA PAZ

AMEMBASSY LONDON

C O N F I D E N T I A L JAKARTA 4285

E.O. 11652: GDS

TAGS: EMIN, ITC, ID

SUBJECT: GOI REACTION TO USG WISH TO DEFER PRICE RANGE CONSIDERATION

REF: STATE 084659

1. EMBOFF MET WITH INDONESIAN ITC DELEGATE SIRMAN WIDIATMO, AND WITH VICTOR SIAHAAN OF INDONESIA'S ITC LONDON STAFF ON APRIL 3 REGARDING U.S. DESIRE TO DEFER CONSIDERATION OF PRICE RANGE ISSUE UNTIL JULY MEETING OF ITC. SIRMAN HAD SPOKEN TO WALTER LENAHAAN, EB/ORF/ISM, IN WASHINGTON BY PHONE ON MARCH 31, AND WAS ALREADY FAMILIAR WITH SOME OF THE POINTS MADE REFTEL.

2. SIRMAN QUICKLY POINTED OUT THAT THE TIN MARKET CAN ONLY BECOME CLEARER WHEN U.S. DISPOSAL POLICY HAS BECOME CLEARER, AND THAT IT IS RATHER ANOMALOUS POSITION FOR U.S. TO BE PLEADING UNCERTAINTY IN TIN MARKET AS REASON TO DEFER CONSIDERATION OF PRICE RANGE ISSUE WHEN "U.S.'S UNTIMELY AND PRECIPITOUS ANNOUNCEMENT OF GSA SALES  
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WERE THE MAJOR CAUSE OF THE UNCERTAINTY IN THE MARKET." HE WENT ON TO SAY THAT U.S. ANNOUNCEMENT "LOOKS SUSPICIOUSLY LIKE A POLICY TO DEPRESS PRICES PRIOR TO NEGOTIATIONS SO AS TO STRENGTHEN THE HAND OF THOSE WHO WISH TO KEEP THE PRICES LOW."

3. EMBOFF POINTED OUT THAT LANGUAGE OF UDALL-DECONCINI

CALLED FOR PROTECTION OF PRODUCERS, AND THAT U.S. HAS  
CONSISTENTLY FOLLOWED POLICY OF NOT DISRUPTING MARKET IN  
ITS TIN DISPOSAL POLICY.

4. SIRMAN SAID HE THOUGHT IT "IMPOSSIBLE" THAT PRODUCERS  
WOULD AGREE PRIOR TO CONVENING OF APRIL ITC MEETING TO  
DEFER CONSIDERATION OF PRICE RANGE ISSUE BUT THAT IT  
IS POSSIBLE THAT AN AGREEMENT TO DEFER PRICE RANGE CON-  
SIDERATION COULD EMERGE AT THE MEETING IF THE U.S. WOULD  
BE PREPARED TO MAKE CERTAIN ASSURANCES REGARDING THE RATE  
OF TIN DIPOSALS. TO OBTAIN PRODUCER CONSENT TO DEFERRAL,  
THE U.S., ACCORDING TO SIRMAN, MUST BE PREPARED TO  
PROMISE THAT "TIN DISPOSALS WILL BE RELATED TO THE CURRENT  
DEFICIT TAKING INTO ACCOUNT PLANNED AND EXISTING INVEST-  
MENT AND PROVIDING AMPLE INCENTIVE TO INCREASING PRODUCTION  
CAPACITY."  
MASTERS

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NNN

## Message Attributes

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**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** TIN, PRICES  
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**Copy:** SINGLE  
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**Decaption Date:** 20 Mar 2014  
**Decaption Note:** 25 YEAR REVIEW  
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**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
**Disposition Event:**  
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**Review Markings:**  
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